

SOLVENCY II DISCLOSURE 2017

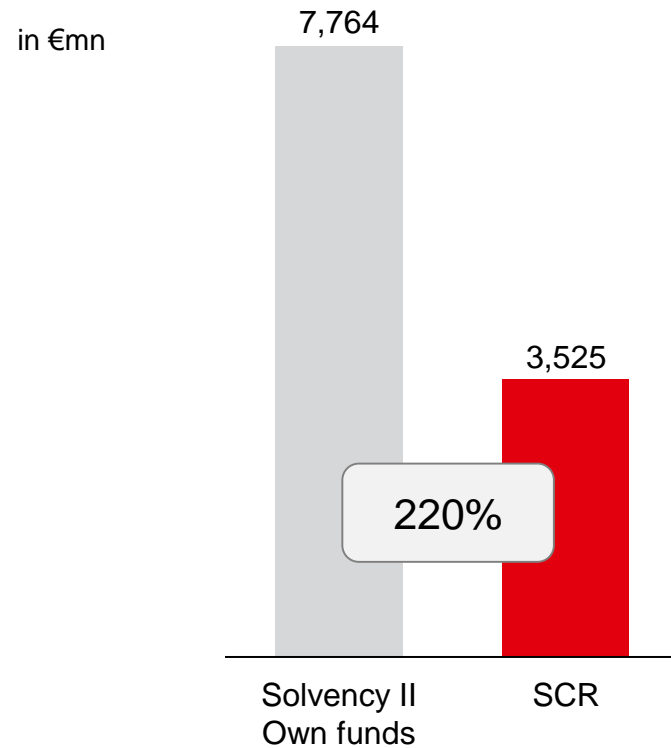
Vienna Insurance Group





SOLVENCY RATIO OF 220% AS OF 31 DEC. 2017

Calculation based on Partial Internal Model (PIM)

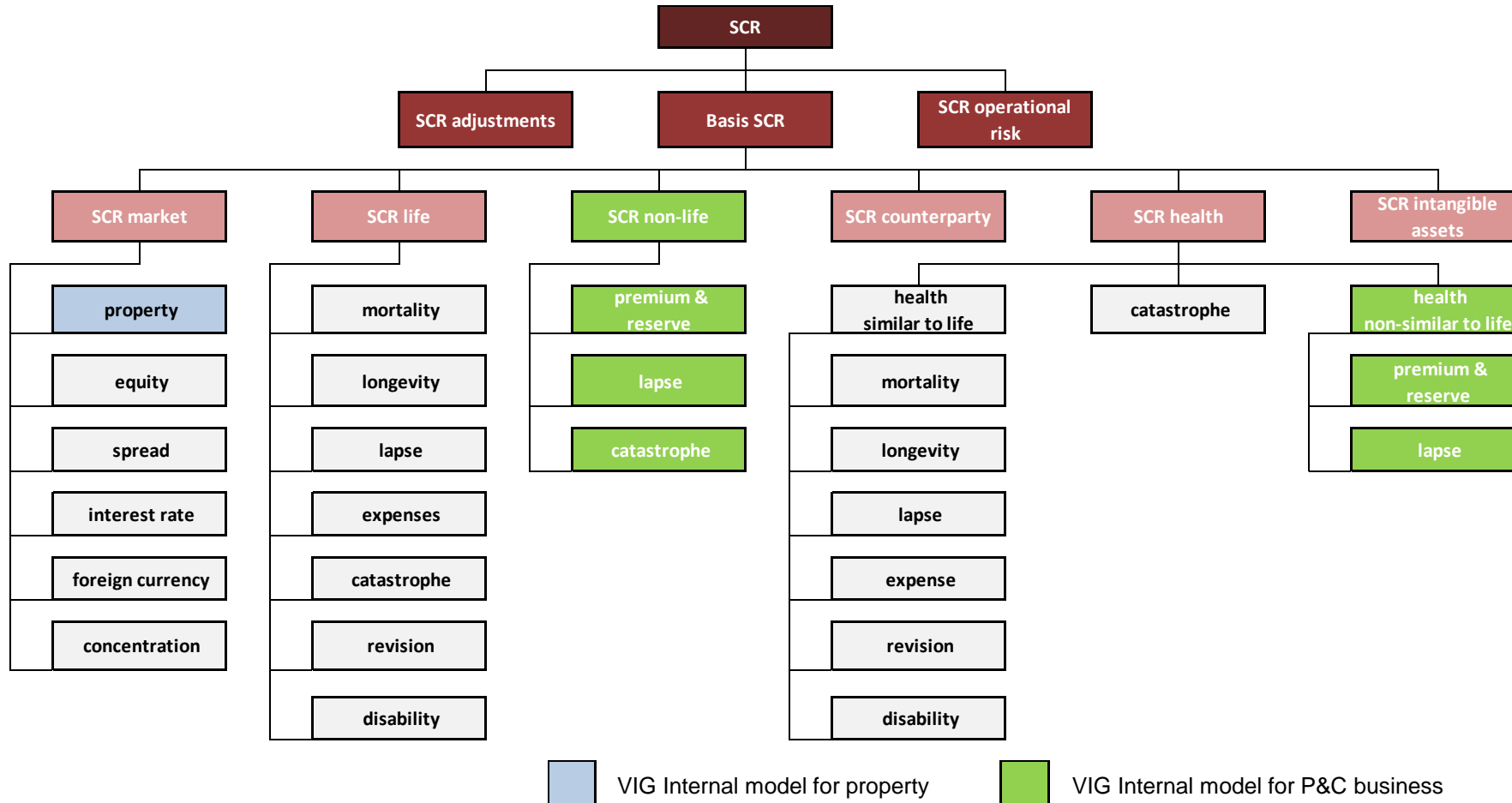


- Solvency ratio of 220% calculated at the level of the listed Group
- Application of Partial Internal Model improves solvency ratio by 46pp
- PIM reduces SCR by EUR 927mn
- Results include volatility adjustment



SOLVENCY CAPITAL REQUIREMENT (SCR) OVERVIEW

Standard Formula and Partial Internal Model

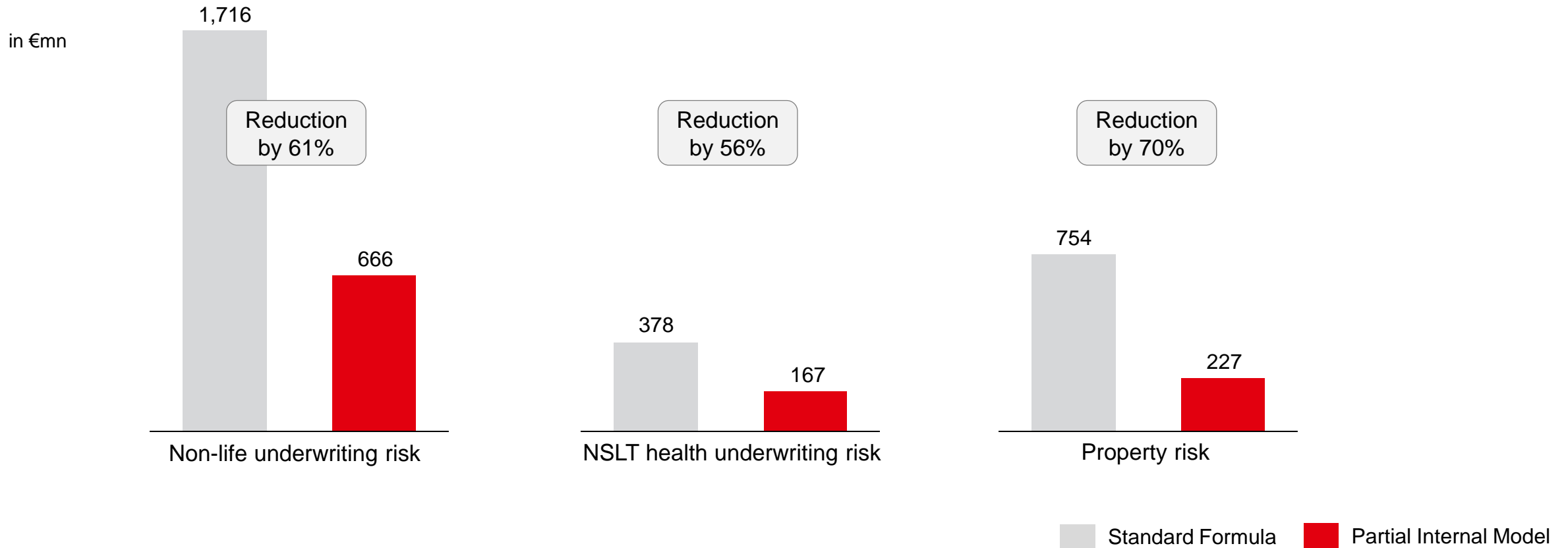


- Partial Internal Model of VIG approved by the Financial Market Authority (FMA) as of January 1, 2016



POSITIVE IMPACT OF PIM ON SCR

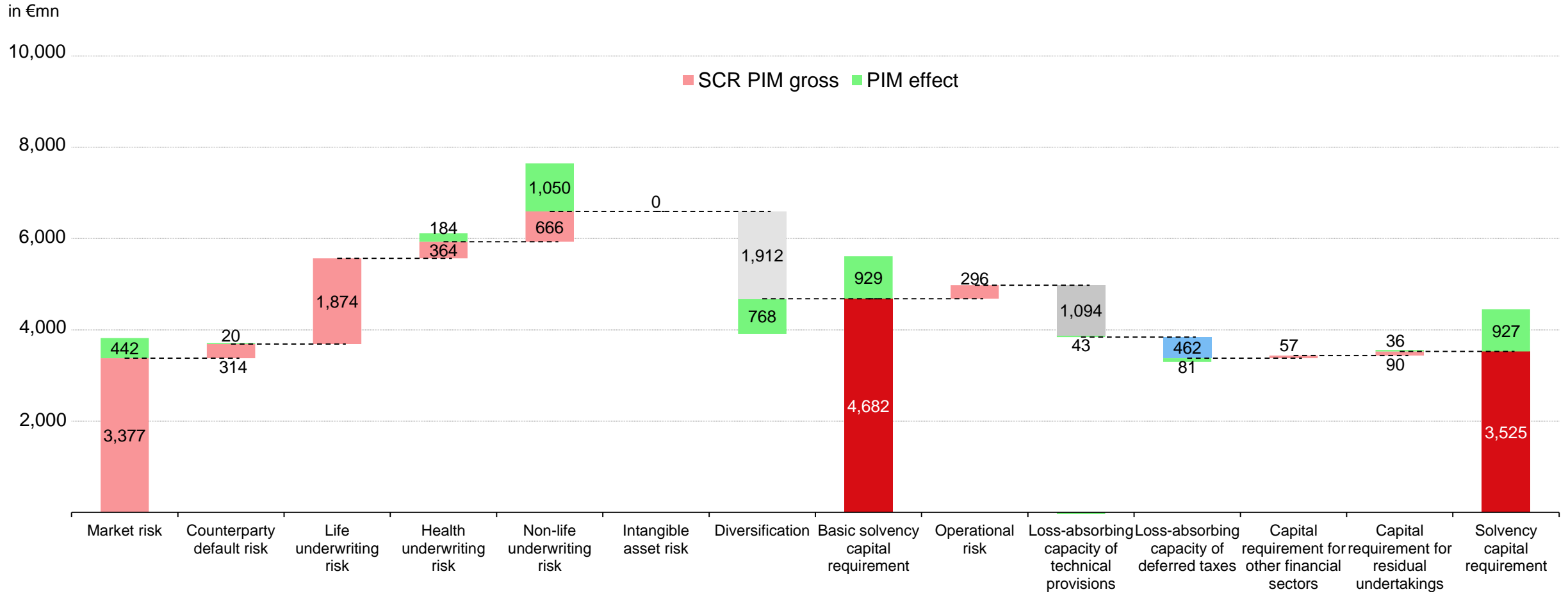
Comparison of Standard Formula and Partial Internal Model





SOLVENCY CAPITAL REQUIREMENT (I)

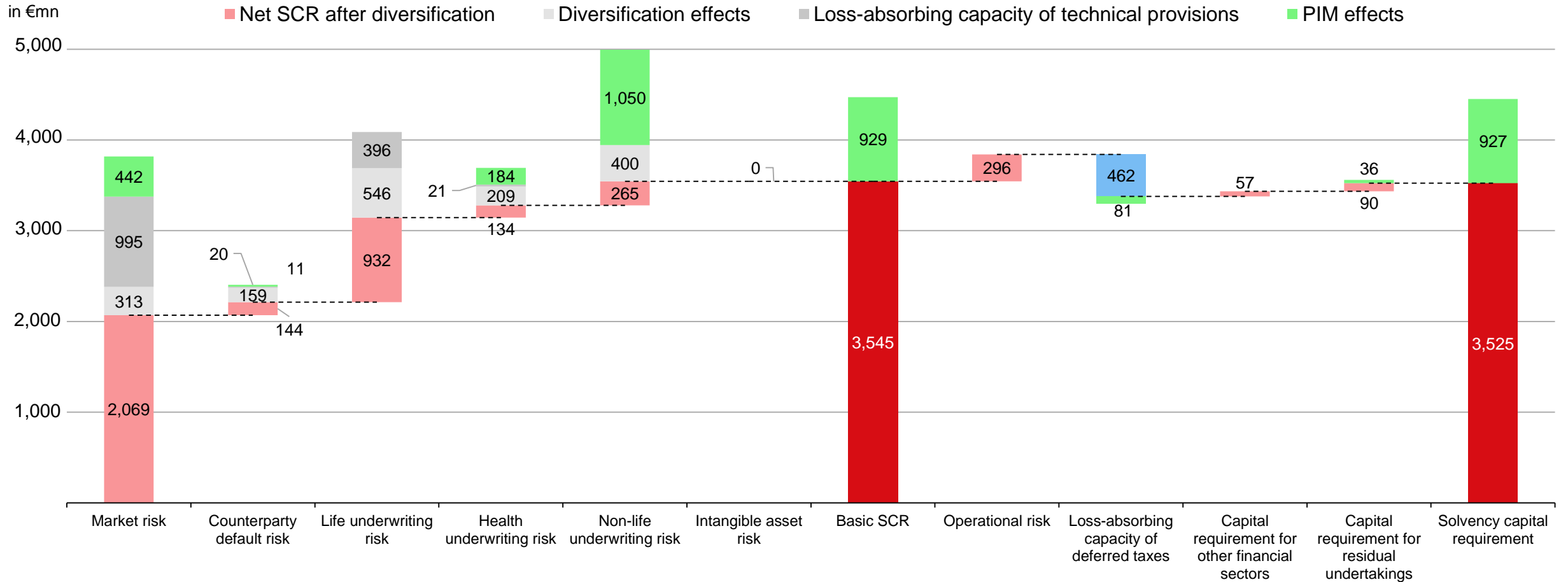
SCR as of 31 Dec 2017 and PIM effects





SOLVENCY CAPITAL REQUIREMENT (II)

Risk mitigating effects



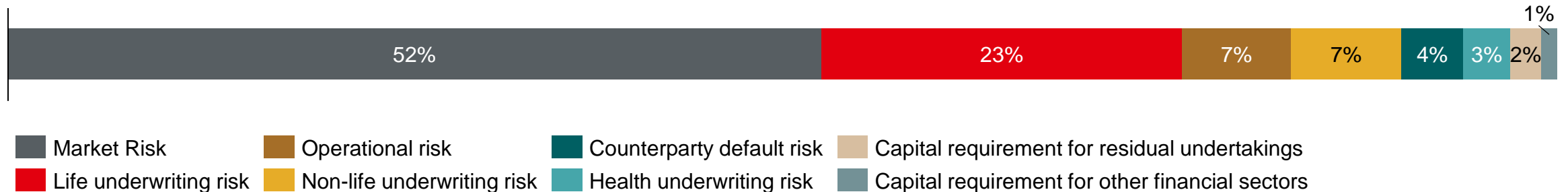


SOLVENCY CAPITAL REQUIREMENT (III)

Allocation of risks

- **Market risk accounts for more than 50% of total solvency capital requirement**
 - 64% of total market risk consists of spread risk and equity risk
 - Interest rate risk and currency risk make up almost one third of total market risk
- **Life underwriting risk contributes to the total solvency capital requirement with 23%**
 - 69% of life underwriting risk derives from lapse risk
 - Second biggest driver is life expense risk with 17% of total life underwriting risk
- **Operational risk ranks third with 7% of total solvency capital requirement**
- **Non-life underwriting risk and health underwriting risk together correspond to 10% of total solvency capital requirement**

▪ SCR of €3,525mn – Risk allocation

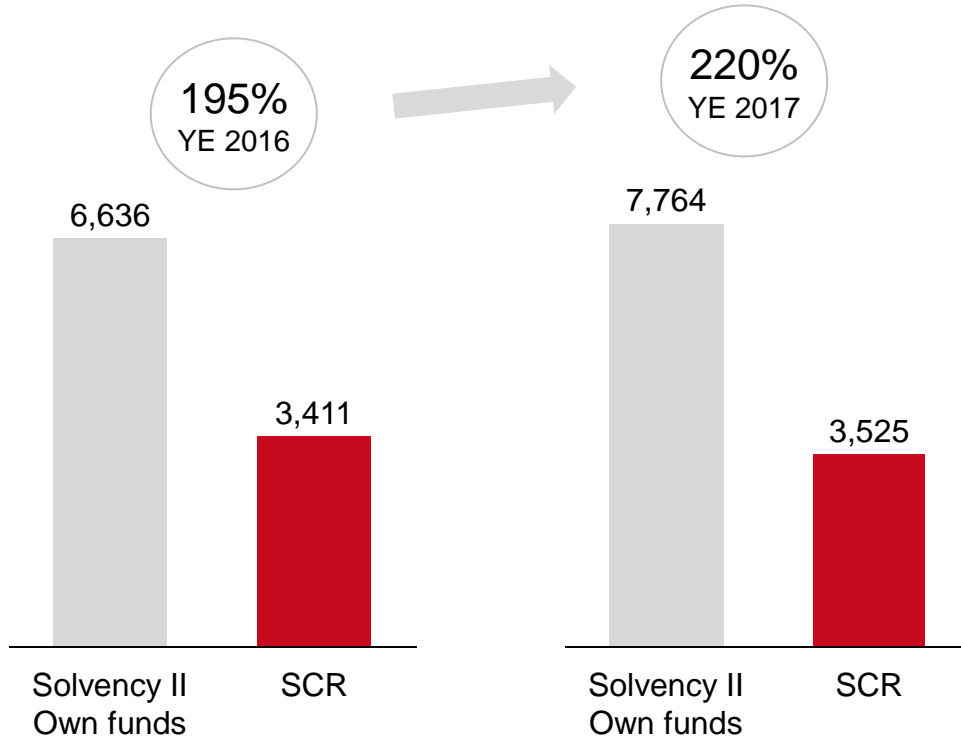


Note: Risk allocation calculated with Euler method based on PIM risks net after diversification

SOLVENCY CAPITAL REQUIREMENT (IV)

SCR 2017 compared to SCR 2016

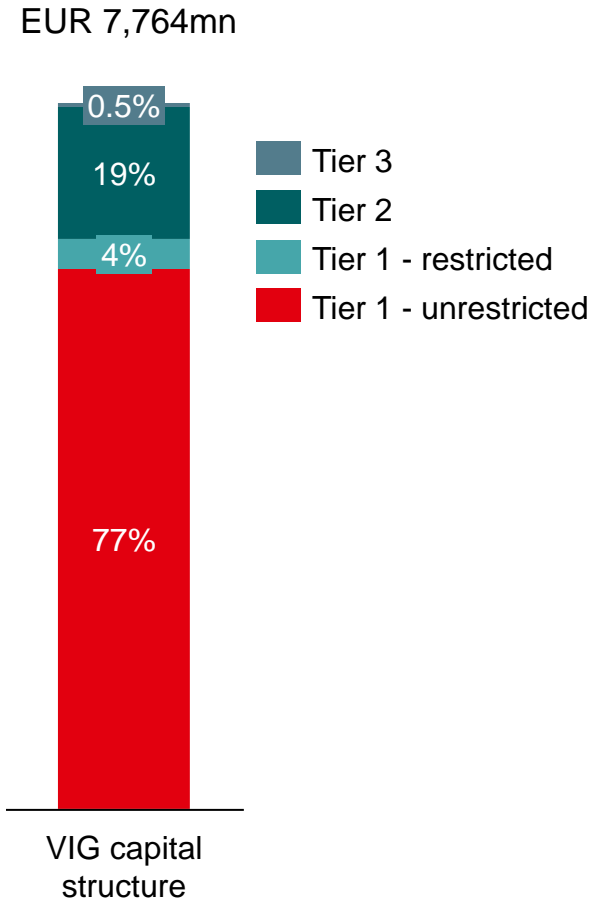
in €mn



VIG AG in €mn	31.12.2017	31.12.2016
Solvency capital requirement	3,525	3,411
Market risk	3,377	3,458
Counterparty default risk	314	280
Life underwriting risk	1,874	1,635
Health underwriting risk	364	325
Non-life underwriting risk	666	586
Intangible asset risk	0	0
Diversification	-1,912	-1,729
Basic solvency capital requirement	4,682	4,555
Operational risk	296	301
Loss-absorbing capacity of technical provisions	-1,138	-1,040
Loss-absorbing capacity of deferred taxes	-462	-463
Capital requirement for other financial sectors	57	58
Capital requirement for residual undertakings	90	0
Eligible own funds	7,764	6,636
Solvency ratio	220%	195%

OWN FUNDS (I)

Capital structure as of 31 Dec. 2017



Tier 1 – unrestricted (>50% of SCR)

- EUR 5,955mn (77% of Own Funds)

Tier 1 – restricted (<20% of total Tier 1)

- EUR 326mn (4% of Own Funds)
- Capacity for additional restricted Tier 1 capital of roughly EUR 1,163mn as of year-end 2017

Tier 2 (<50% of SCR)

- EUR 1,448mn (19% of Own Funds)
- Capacity for additional Tier 2 capital of roughly EUR 314mn as of year-end 2017

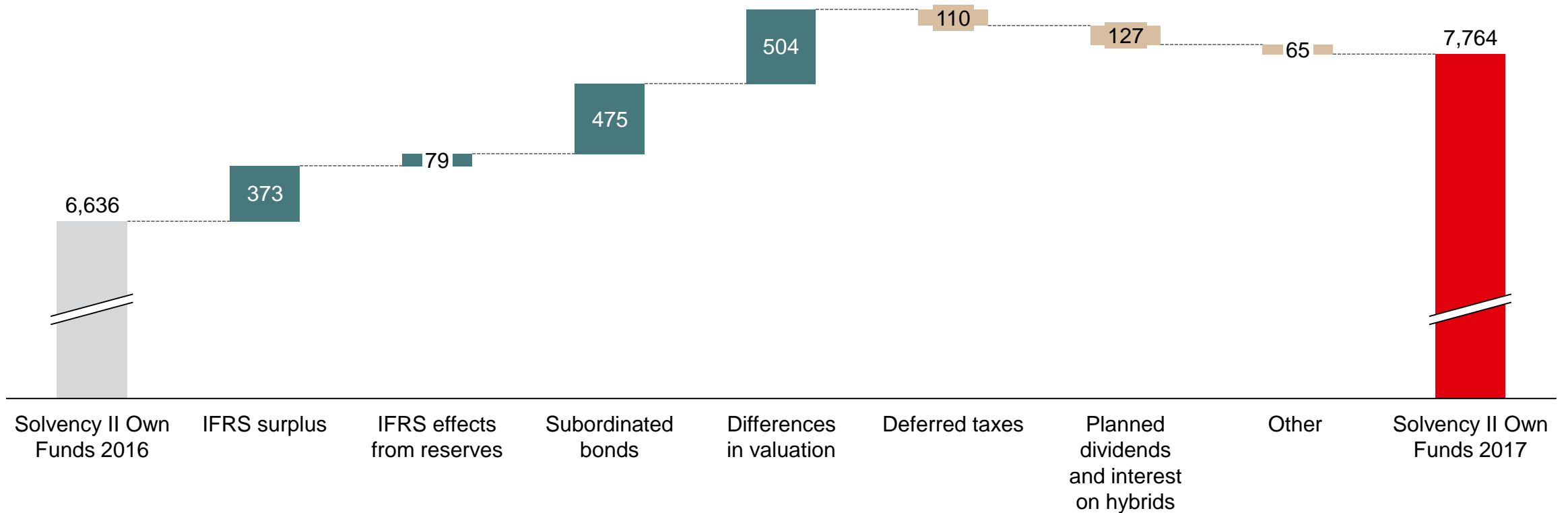
Tier 3 (<50% of SCR)

- EUR 35mn (0.5% of Own Funds)
- Capacity for additional Tier 3 capital of roughly EUR 279mn as of year-end 2017



OWN FUNDS (II)

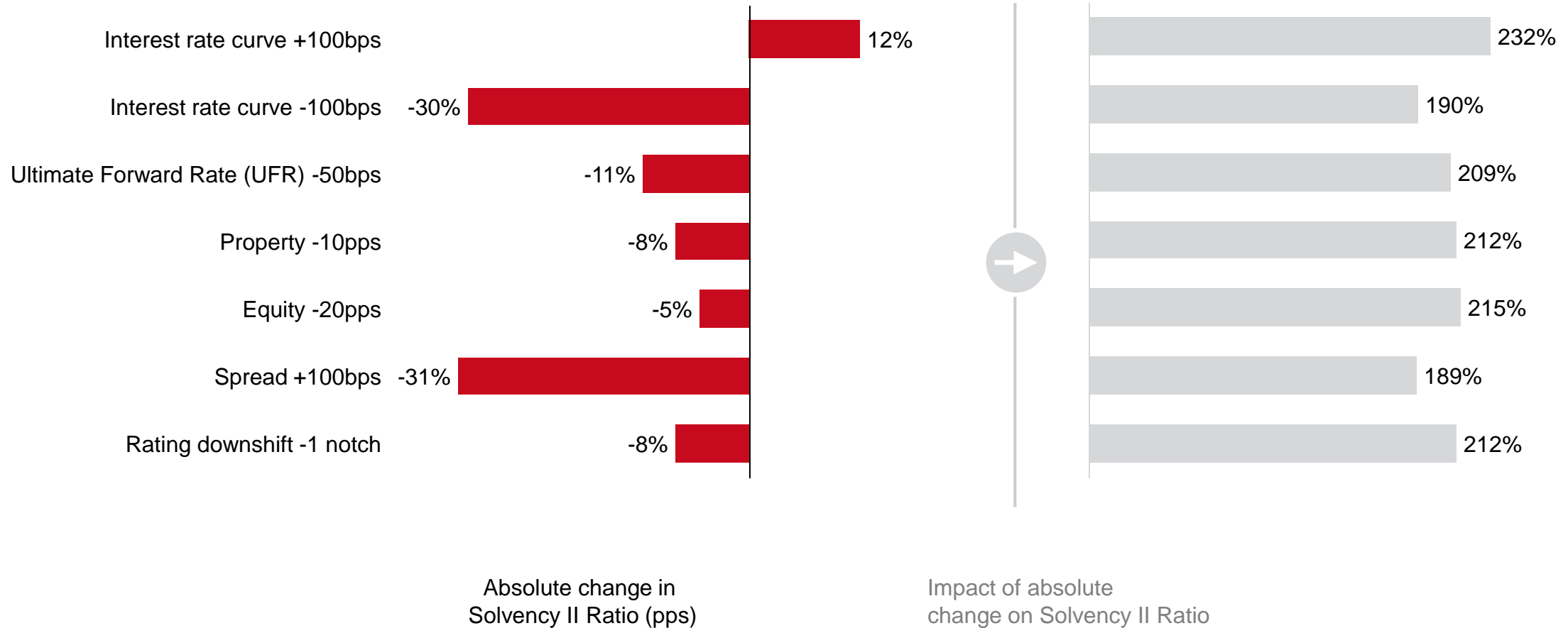
Own Funds 2016 compared to Own Funds 2017





SENSITIVITY ANALYSIS

Market Sensitivities



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